

Message Text

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UNCLAS SECTION 1 OF 2 IAEA VIENNA 9309

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TAGS: AORG, AFIN, TECH, IAEA, US

SUBJECT: US CONTRIBUTIONS IN KIND TO IAEA FOR CY 1975

REF: STATE 236805

1. SUMMARY: BREAKDOWN REFTEL OF US VOLUNTARY CONTRIBUTIONS TO IAEA FOR CY 1975 APPEARS ON THE WHOLE SATISFACTORY FOR PLANNING PURPOSES AT THIS TIME, SUBJECT TO CAVEAT THAT INITIAL OFFERS OF EQUIPMENT BE HELD TO FIGURE SOMEWHAT BELOW \$200,000 TO ALLOW FOR ANY UNPREDICTABLY LARGE REQUIREMENT FOR COST-FREE EXPERTS. END SUMMARY.

2. DEPT/AEC PROPOSED DISTRIBUTION (REFTEL) OF TOTAL \$2 MILLION FUNDS AVAILABLE FOR US VOLUNTARY CONTRIBUTIONS TO IAEA IN CY 1975 DISCUSSED WITH RELEVANT AGENCY SECRETARIAT OFFICIALS IN TA, BUDGET/FINANCE AND OTHER APPROPRIATE DIVISIONS.

3. GOES WITHOUT SAYING IN ALL DISCUSSIONS THAT ALL HANDS AT BOTH AGENCY AND MISSION WISH THAT FINANCIAL STRICTURES ON US CONTRIBUTIONS FOR 1975 WERE NOT AS TIGHT AS THEY ARE, IN VIEW ESSENTIAL US INTERESTS TO BE SERVED BY PARTICULAR CONTRIBUTIONS AND THROUGH OVERALL CONTRIBUTIONS EFFECT IN PROVIDING BALANCE BETWEEN AGENCY SAFEGUARDS AND ASSISTANCE ACTIVITIES WHICH IS PERCEIVED AS ESSENTIAL BY ALL AGENCY MEMBERS. BEARING THIS IN MIND,
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FOLLOWING COMMENTS CAN BE MADE REGARDING DISTRIBUTION OF

LIMITED AMOUNTS AVAILABLE NEXT CY.

4. CASH: NO ONE IN AGENCY HAS ANY OBJECTION TO US CASH CONTRIBUTION AT LEVEL REFTEL, EVEN THOUGH THIS DOES NOT RPT NOT REPRESENT US BASE RATE OF ASSESSMENT APPLIED TO 1975 TARGET. FIRST, ALL HANDS UNDERSTAND THIS IS SIMPLE REFLECTION OF US POSITION ON LEVEL OF TARGET FOR 1975 (WHICH WAS, OF COURSE, FORMULATED AFTER CONSULTATION WITH SECRETARIAT IN FIRST PLACE), FACT WHICH WE MADE CLEAR ON RECORD IN A&B COMMITTEE, BOARD AND GC AT TIME TARGET WAS APPROVED. FYI: IN FACT, SOME IN SECRETARIAT ARE, PRIVATELY AND UNOFFICIALLY, QUITE STRONGLY IN FAVOR OF US HOLDING CASH CONTRIBUTION TO THIS LEVEL AND USING ANY OTHER RESOURCES WHICH MAY BE AVAILABLE FOR GIFTS IN KIND, ON GROUNDS THAT IF WE WERE TO CONTRIBUTE AT USUAL LEVEL TO TARGET WHOSE LEVEL WE COULD NOT RPT NOT SUPPORT, FOR GOOD AND SUFFICIENT REASONS, WHEN IT WAS ADOPTED, EFFECT WOULD BE TO REMOVE FROM DEVELOPING COUNTRIES ALL INCENTIVE TO PAY ANY ATTENTION TO VIEWS OF MAJOR CONTRIBUTORS IN FIXING TARGET FOR 1976 AND FUTURE YEARS; LIMITING US CASH CONTRIBUTION TO LEVEL WE WERE PREPARED TO SUPPORT FOR THIS YEAR, ON OTHER HAND, SHOULD MAKE MORE RESPONSIBLE AMONG LDC'S MORE RECEPTIVE TO VIEWS OF US AND OTHER MAJOR CONTRIBUTORS NEXT YEAR. END FYI. SECOND, 1975 PROGRAM IS ALREADY FAIRLY FIRM IN OUTLINE, AND HAS BEEN PREPARED ON EXPECTATION THAT CASH CONTRIBUTIONS WILL TOTAL ABOUT OR JUST OVER \$4 MILLION. CURRENT BUDGET/FINANCE PROJECTION OF CONTRIBUTIONS FOR 1975 IS ABOUT THIS LEVEL, AND INCLUDES PROBABLE US CASH CONTRIBUTION AT LEVEL INDICATED REFTEL. SECRETARIAT REMAINS VERY PRIVATELY SOMEWHAT DUBIOUS THAT THEY COULD PRODUCTIVELY SPEND SUBSTANTIALLY MORE THAN THIS IN CASH IF IT WERE RECEIVED IN 1975. MISSION FEELING IS THAT US SHOULD MAKE FORMAL PLEDGE OF CASH CONTRIBUTION TO GENERAL FUND FOR 1975 OF \$1,106,400, AS CITED REFTEL; WE RECOMMEND, HOWEVER, THAT THIS PLEDGE NOT RPT NOT BE MADE AT THIS TIME, FOR TACTICAL REASONS, AND THAT MATTER OF WHEN US SHOULD MAKE ITS FORMAL PLEDGE FOR 1975 SHOULD BE ADDRESSED FURTHER IN LATE JANUARY OR EARLY FEBRUARY 1975.

5. TYPE II FELLOWSHIPS: HAVING BEEN PREPARED FOR SOME UNCLASSIFIED

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DIMINUTION IN US TYPE II FELLOWSHIPS IN 1975, AGENCY IS PLEASED THAT DOLLAR LEVEL CAN BE HELD CONSTANT. CHIEF OF FELLOWSHIP AND TRAINING SECTION (HAMMOND, US) IS IN WASHINGTON AT PRESENT, AND AEC MAY WISH DISCUSS FURTHER DIRECTLY WITH HIM; BASED ON PRELIMINARY DISCUSSIONS AT EARLIER DATE, MISSION WOULD ANTICIPATE THAT HE WILL HAVE NO RPT NO PROBLEM IN UTILIZING THESE FELLOWSHIPS PRODUCTIVELY, AND ANTICIPATES FURTHER THAT THERE WILL BE

INCREASED UTILIZATION IN FIELDS DIRECTLY RELATED TO NUCLEAR POWER PROGRAMS IN DEVELOPING COUNTRIES. IN ABSENCE HARD INFORMATION ON PROBABLE COSTS PER MAN YEAR OF FELLOWSHIP TRAINING IN 1975, AND OF NAS/NRC OVERHEAD COSTS FOR NEXT YEAR TO BE BORNE FROM THESE FUNDS, WE ARE UNABLE TO EVALUATE ACTUAL NUMBER OF FELLOWSHIPS TO BE OFFERED. PRESUMABLY, IT WILL DROP OFF SOMEWHAT FROM 1974 LEVEL; SUCH DROP WOULD PROBABLY NOT RPT NOT BE CRUCIAL FOR ONE YEAR, BUT THIS IS TRUE ONLY RPT ONLY ON ASSUMPTION THAT SUFFICIENT FUNDS WILL BE AVAILABLE IN CY 1976 TO FULLY RESTORE ACTUAL NUMBER OF FELLOWSHIPS WHICH CAN BE OFFERED (I.E., BY OFFSETTING ANY ADVERSE EFFECTS OF INFLATION) AND, IF POSSIBLE, TO EXPAND THIS NUMBER. FOR SAME REASON, MISSION CONSIDERS THAT RESTORATION OF NUMBER OF TRAINING MAN YEARS WHICH CAN BE OFFERED, THROUGH INCREASE IN DOLLAR FIGURE DEVOTED TO THIS PURPOSE, SHOULD HAVE FIRST PRIORITY CALL ON ANY ADDITIONAL RESOURCES WHICH MAY BECOME AVAILABLE FOR US VOLUNTARY CONTRIBUTIONS TO IAEA IN CY 1975.

6. EQUIPMENT: BASED ON INFORMAL DISCUSSIONS, NEITHER MISSION NOR CHIEF OF EQUIPMENT SECTION ANTICIPATE ANY PROBLEMS WITH \$200,000 FOR GIFTS OF EQUIPMENT. HOWEVER,

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WOULD OFFER CAVEAT THAT MOST OR ALL OF THIS FIGURE SHOULD BE OFFERED IN SUPPORT OF APPROVED TA PROJECTS; IT STILL REPRESENTS NEARLY ONE-THIRD REDUCTION IN GRANTS FOR CY 1974, WHICH WENT INTO A SMALLER TA PROGRAM. FOR THIS REASON, MISSION RECOMMENDS THAT MISSION AND AEC

STRONGLY DISCOURAGE ANY INQUIRIES FROM OTHER AGENCY STAFF MEMBERS REGARDING POSSIBLE GIFTS BY US OF EQUIPMENT FOR AGENCY'S LABORATORIES DURING CY 1975. FURTHER COMMENT ON EQUIPMENT PROGRAM CONTAINED HINSON-AMMONS LETTER OCTOBER 25, 1974.

7. COST-FREE EXPERTS: PROPOSED FIGURE REFTEL \$93,600, IS MOST IMPONDERABLE OF COMPONENTS OF US GIFTS IN KIND, SIMPLY BECAUSE THERE IS NO RPT NO SINGLE CENTER IN AGENCY ABLE TO CONSIDER US COST-FREE EXPERT FUND UTILIZATION AS ENTITY--FAIR SHARE OF THESE MONEYS ARE DEVOTED TO SUPPORT OF OTHER AGENCY PROGRAMS OF INTEREST TO DEVELOPING COUNTRIES RATHER THAN TO DIRECT PROVISION OF TA TO THEM. CHIEF OF EXPERTS SECTION IS QUITE PREPARED FOR SITUATION WHERE US WOULD OFFER FEW OR NO FULLY COST-FREE TA EXPERT ASSIGNMENTS IN CY 1975, BUT HOPES THAT SOME FUNDS WILL BE AVAILABLE FOR OFFERS OF PARTIAL COST-FREE SERVICES IN CASES WHERE AGENCY BADLY NEEDS A US EXPERT BUT CANNOT MATCH HIS SALARY FROM FUNDS AVAILABLE TO IT. OTHER DIVISIONS IN AGENCY WHICH WILL PROBABLY WISH TO UTILIZE SERVICES OF US EXPERTS COST-FREE ARE UNABLE AS YET TO MAKE ANY VALID PROJECTION OF REQUIREMENTS FOR 1975; IN ANY EVENT,
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THIS WOULD BE CONFUSING BUSINESS AS IT COULD TAKE NO ACCOUNT OF CASES SUCH AS, E.G., SITUATION WHERE US EXPERT'S PARENT ORGANIZATION BEARS HIS SALARY COSTS WHILE COST-FREE EXPERT FUNDS ARE UTILIZED FOR TRAVEL AND PER DIEM EXPENSES. SUBJECT TO THESE UNCERTAINTIES, MISSION FEELING IS THAT FIGURE REFTEL SHOULD BE SATISFACTORY AT THIS TIME FOR APLNNG PURPOSES, BUT THAT INITIAL OFFERS OF US EQUIPMENT GRANTS SHOULD BE HELD TO LEVEL OF PERHAPS \$170,000-180,000, WITH REMAINING FUNDS HELD BACK UNTIL AT LEAST SECOND HALF OF CY 1975 FOR DIVERSIONS TO COST-FREE EXPERTS IF REVIEW OF ACTUAL EXPENDITURES AND PROJECTED REQUIREMENTS FOR COST-FREE EXPERT FUNDS AT THAT TIME INDICATES POSSIBLE NEED FOR SUCH USE.

8. TRAINING COURSES IN US: FIGURE OF \$70,000 REFTEL WILL BE SATISFACTORY TO AGENCY, ON FOLLOWING ASSUMPTIONS:

A) IT WILL SUFFICE, ALONG WITH SUCH OTHER FUNDS AS MAY BE AVAILABLE, TO COVER NORMAL US CONTRIBUTIONS TOWARD THREE COURSES WHICH WE HAVE FORMALLY OFFERED TO DATE (REGULATORY COURSE IN WASHINGTON, FLORIDA ENTOMOLOGY COURSE, HARVARD COURSE); AND B) THAT THIS FIGURE IS NOT RPT NOT EXPECTED BY USG TO TAKE ACCOUNT OF US CONTRIBUTION TOWARD HOSTSHIP, ASSUMING WE MAKE FORMAL OFFER OF SAME, FOR MAJOR COURSE IN NUCLEAR POWER PROJECT ENGINEERING IN US DURING FINAL QUARTER OF CY 1975 (VARIOUS SEPTELS),

SINCE IT WOULD BE OBVIOUSLY INSUFFICIENT TO COVER BOTH
THOSE COURSES WE HAVE ALREADY OFFERED PLUS COSTS OF
MAJOR NEW ENDEAVOR. AS MISSION UNDERSTANDS FROM HINSON-
AMMONS TELECON 10/21/74 THAT THIS \$70,000 FIGURE DOES
NOT RPT NOT RELATE TO NUCLEAR POWER PROJECT ENGINEERING
COURSE COSTS, WE AND AGENCY CONCUR THAT PROPOSED FIGURE
REFTEL IS SATISFACTORY. LABOWITZ

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